

Minutes: Seattle Housing Levy Oversight Committee Meeting

January 9, 2023, 3:00 pm – 4:30 pm (Virtual)

Committee Members Present: Ann Melone (Chair), Beth Boram, Cara Kadoshima Vallier, Colin Morgan-Cross, Dan Wise, Denise Rodriguez, Erin Ishizaki, Joel Ing,

Other City Staff Present: Maiko Winkler-Chin, Kelli Larsen, Charles Mason, Erika Malone, Jennifer LaBrecque, Laurie Olson, Rosey Zhou, Stephanie Velasco, Nathan Antonio

Guest Presenters: None

Committee Members not Present: Damien James, Patience Malaba, Pradeepta Upadhyay, Traci Ratzliff, Vallerie Fisher

Members of the Public Present: Heidi Groover

Chair Ann Melone called the meeting to order at 3:05 pm.

1. Welcome and Committee Business

- Chair Ann Melone prompted everyone in attendance to introduce themselves and their affiliations.
- Approval of Meeting Minutes. Nathan Antonio noted that agenda item “5” in the minutes should have been item “3” and that he would correct that in the final version. Joel Ing moved to approve the minutes of the November 3, 2022, meeting as amended. Beth Boram seconded. The minutes were unanimously approved.

2. Update on Fall 2022 NOFA

- Laurie Olson gave a brief update on the Fall 2022 NOFA. While a final announcement was somewhat delayed, it was anticipated for later in the month. In September, the Office of Housing (OH) received 17 applications requesting \$205M in total. Approximately \$44M in funding was available through the NOFA. The Capital Investments team has been working with other public funders to coordinate allocation decisions.

3. 2022 Levy funded Housing Updates

- Nathan Antonio shared a high-level summary of Levy-funded projects either opening or breaking ground in 2022: 13 projects with more than 1,000 affordable homes.
 - Question from committee member: Are any upcoming projects sponsored by faith communities?
 - Yes. FAME’s Bryant Manor, BRIDGE’s St. Luke’s in Ballard, Mt. Zion in the Central District, FAME’s Elizabeth Thomas, Good Shepherd (in collaboration with LIHI) on 22nd and Union, are developed by or in partnership with faith communities. Additionally, two homeownership projects in the Central District sponsored by the Nehemiah Initiative are issuing new RFPs.

4. 2023 Oversight Committee Work

- Kelli Larsen advised that the Committee will meet quarterly with the next meeting in 2023 to coincide with reporting in March. Nathan Antonio told committee members to expect calendar invitations by the end of the week.

5. Housing Levy Renewal Efforts

- Kelli Larsen, by way of reminder, reviewed the Levy renewal process and status. Having concluded the Technical

Advisory Committee (TAC) process and with the public comment period closing on 1/13, OH was finalizing the proposal in collaboration with the Mayor's Office.

- Kelli Larsen reviewed the Levy proposal presented at the second TAC meeting: \$840M overall with \$640M going towards rental production and preservation; \$63M for operating, maintenance, and services (OMS); \$51M for homeownership; \$30M for prevention; and \$57M for administration; all projected to create or preserve 3,626 homes.
 - A committee member asked about what services are provided under "Prevention."
 - Prevention includes homelessness prevention, eviction prevention, and housing stabilization services, all intended to address homelessness.
- Kelli Larsen summarized the changes from the initial proposal to the revised proposal currently under consideration:
 - Increased overall Levy size to meet rising needs
 - Scaled up projected production of permanent housing (a proven strategy to address homelessness)
 - Emphasized support for high quality workforce, services, and programs across all available local fund sources
 - Increased projected production of family-size homes
 - Increased accessibility to homeowners stabilization programs
- Stephanie Velasco spoke to the engagement and feedback process to date, noting that the public comment period was to close that Friday, 1/13. She also overviewed the extensive public and stakeholder engagement opportunities facilitated by OH and talked about the integration of feedback from those opportunities into the Levy proposal. The next major milestone in the process is the Mayor's transmittal of the proposed Levy legislation to Council, likely to occur in March.
- Kelli Larsen presented three hypothetical Levy funding scenarios that allocate the same topline amount of funding to different program areas. Going into detail regarding their particulars, she asked the committee for questions and assessment of the relative strengths and weaknesses of the scenarios, to express preferences, and offer other ideas or questions.
 - Scenario 3.1 reduces rental production, homeownership, and prevention to fund more OMS stabilization.
 - A committee member asked how the increased hypothetical OMS stabilization support amount was determined.
 - Because Levy OMS only goes to projects with Levy capital, the amount was derived according to what would be needed to better support both workers and residents of existing PSH in portfolio.
 - Scenario 3.2 reduces allocation across all other program areas to support greater investment in OMS stabilization.
 - A committee member asked if staff had considered removing prevention out of the Levy and reallocating that funding to rental and homeownership production categories.
 - Staff have received feedback both in favor of and against doing this and have decided to proceed with the prevention allocation at \$30M.
 - However, the question of use of prevention funds will likely come up again in the administrative and financial plan creation process, should the Levy be approved by voters.
 - Scenario 3.3 takes resources from rental production to boost new OMS contract amounts and fund OMS stabilization.
 - Committee members expressed varying points of view in response to this scenario:
 - Preference for Scenario 3.3 because it garners the most homeownership production of the scenarios, also because it seemed like the most "balanced" of the three.
 - Others would prefer that rental production outcomes remain higher and that



this should be the highest priority in the Levy.

- There was also recognition by committee members that there was considerable difficulty in this exercise and trying to make the levy respond to all important priorities.
- General feedback and questions from committee members:
 - Appreciation of the consideration given to creating family-sized units and encouragement to maintain that goal.
 - How are services for households of different AMI levels prioritized in the proposal?
 - The proposals thus far keep the same AMI targeting from 2016 levy: at least 60% of the sum of rental production and preservation funds, combined with OMS funds, must support housing affordable to people with incomes at or below 30% AMI
 - How do MHA proceeds work with Levy?
 - MHA generally augments the funds OH has to support affordable development in the city, but it's harder to predict because it relies on new development volume/permitting. Further, MHA funds never touch Levy projects for compliance reasons. MHA projects instead, combine with JumpStart/PET and other program revenue.
- Stephanie Velasco shared the feedback from the TAC regarding these scenarios:
 - Increase to the overall Levy amount is preferred to any reduction/reallocation of program funding. No one likes reductions.
 - Recognition of the need to increase OMS and OMS Stabilization along with production.
 - Continuing interest and work to be done to establish program priorities and decide how to structure prevention program.
 - By way of concluding, Kelli Larsen invited members of the committee to continue to engage in the process to help figure out how to balance these priorities and address all the needs that have been expressed. She briefly overviewed future potential opportunities to do so, including via the remaining public comment period and as the proposal moves to Council.

6. Meeting Adjourned

- Colin Morgan-Cross moved to adjourn. Erin Ishizaki seconded the motion. All concurred and the meeting was adjourned at 4:13pm.